

# SUMMARY ANALYSIS OF AMENDED BILL

## Franchise Tax Board

Author: Lempert Analyst: Gloria McConnell Bill Number: AB 2371

Related Bills: See Prior Analysis Telephone: 845-4336 Amended Date: 05/03/00

Attorney: Patrick Kusiak Sponsor:

**SUBJECT:** Board of Control/Franchise Tax Board Collection of Restitution Fines

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended \_\_\_\_\_.

X AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended \_\_\_\_\_.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.

X REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED 02/24/00 STILL APPLIES.

OTHER - See comments below.

### SUMMARY OF BILL

Under this bill, the dollar threshold for restitution fines that may be referred to the Franchise Tax Board (FTB) by the Board Of Control (BOC) under the court-ordered debt collection (COD) program would be lowered from \$250 to \$100. The caseload referred to FTB could be limited based on the current capacity of the FTB.

### SUMMARY OF AMENDMENT

These amendments significantly reduce the effect this bill would have on FTB's COD collection program. The Implementation and Technical Considerations raised in FTB's previous analysis of this bill no longer apply. The COD collection program would continue to sunset January 1, 2002, as required under current law. The BOC debts that would be referred to FTB for collections would be administered as any other COD referred to FTB for collection. The BOC caseload could be expressly limited based on the current capacity of the FTB.

### EFFECTIVE DATE

This bill would be effective and operative on January 1, 2001.

### Implementation Considerations

This bill would not significantly affect FTB's operations or programs. It would be implemented within FTB's existing COD collection program subject to its computer system constraints and capacity.

### Board Position:

<u>      </u> S	<u>      </u> NA	<u>      </u> NP
<u>      </u> SA	<u>      </u> O	<u>      </u> NAR
<u>      </u> N	<u>      </u> OUA	<u>  X  </u> PENDING

### Legislative Director

### Date

Johnnie Lou Rosas

5/25/00

#### Technical Considerations

There may be a misunderstanding about the type of restitution debts that BOC may refer to FTB for collection under this bill. If FTB staff's previous conversation with BOC was correctly understood, in addition to "restitution fines," BOC also intends to refer "restitution orders" that are less than \$250 to FTB for collections. If this understanding is correct, the bill should be amended on page 6, line 25, to reinstate "and restitution orders." Please see the attached suggested amendment.

#### FISCAL IMPACT

##### Departmental Costs

The provisions of this bill are not expected to significantly increase the department's costs. As required under current law, any costs would be reimbursed from the amount collected by FTB, and the costs could not exceed 15% of the amount collected on these BOC debts.

##### Collection Estimate

The amount of collections that may be generated by FTB on these types of debts is unknown.

#### BOARD POSITION

Pending.

Analyst	Gloria McConnell
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Attorney	Patrick Kusiak

FRANCHISE TAX BOARD'S  
PROPOSED AMENDMENTS TO AB 2371  
As Amended May 3, 2000

AMENDMENT 1

On page 6, line 25, after "fines" insert:

and restitution orders